

SWISS PRIME SITE



STAKEHOLDER ENGAGEMENT

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Stakeholder engagement

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Stakeholder engagement

Swiss Prime Site sees regular communication with key stakeholders as a core element of its forward-looking management. The challenges, needs and expectations identified from this dialogue can be taken into account in the development and optimisation of business activities in line with the corporate strategy. Swiss Prime Site therefore holds a Stakeholder Panel event every two years, during which current topics are discussed. The latest event, in which 25 tenants participated, was devoted to the diverse topic of corporate sustainability.

Stakeholder Panel 2021

Twenty-five representatives from across the tenant spectrum took part in this year's Stakeholder Panel at the JED innovation hub in Zurich Schlieren. Swiss Prime Site was represented by two members of the Board of Directors, six members of the Executive Board, and some 20 other employees of Swiss Prime Site Immobilien and Wincasa. The programme included two keynotes by external speakers: David Bresch, Professor for Weather and Climate Risks at ETH Zurich, and Balthasar Glättli, Federal Councillor, President of the Green Party of Switzerland and Chairman of MVD (tenants' association of German-speaking Switzerland).

The event was dedicated to the topic of sustainability, which is an integral part of Swiss Prime Site's business strategy. As emphasised by Ton Büchner, Chairman of the Board of Directors, at the start of the Stakeholder Panel, the company is committed to supporting the necessary transformation of the economy and society towards greater sustainability, both within and beyond the scope of its business activities. As part of this, Swiss Prime Site is guided by economic, social and governance aspects (ESG criteria), as well as by the Sustainable Development Goals (SDGs) of the United Nations, the Paris Agreement and the Federal Government's Energy Strategy 2050. The company has set itself some ambitious but achievable goals: last year, Swiss Prime Site's Sustainability Board further tightened its reduction target for the property portfolio, with the aim of becoming climate neutral ahead of time by 2040.

The Swiss Prime Site Group conducts regular, extensive surveys to check that it is on course to meet the sustainability targets. This consultative approach reflects the company's understanding of forward-looking, stakeholder-oriented corporate management and also creates the basis for transparent sustainability reporting in accordance with international standards. Martin Pfenninger, Head of Group Sustainability at Swiss Prime Site, presented the results of the materiality assessment carried out in summer 2021. They confirmed that the company is on the right track with many of the existing priorities and goals derived from the last materiality assessment in 2019. At the same time, it became clear that more attention must be devoted to topics such as the circular economy, climate-adapted construction and the collection and use of sustainability-relevant data.

Professor David Bresch from ETH Zurich emphasised the urgency of these same issues in his speech. He believes that corresponding efforts by companies, along with ambitious sustainability targets like those that Swiss Prime Site has set itself, are essential for ensuring the best climate scenario for Switzerland across all sections of society. Bresch summarised important findings from the latest report of the Intergovernmental Panel on Climate Change (IPCC) and demonstrated to the participants how climate change events, such as more severe heatwaves, could reduce productivity. He suggested that this could already be prevented now with more sustainable business models in general and with more climate-friendly real estate in particular.

The importance of sustainability is also reflected in the results of this year's tenant survey. As Martin Kaleja, CEO of Swiss Prime Site Immobilien, informed the participants during the Stakeholder Panel, three-quarters of tenants are very interested in sustainability-related topics. These include modern building technology, waste management and recycling, measures to reduce energy consumption and the availability of real-time data on air quality and indoor climate. Furthermore, the COVID-19 pandemic has also increased the need for more flexible space utilisation concepts. Despite the challenging conditions caused by the pandemic, it is pleasing to see that tenant satisfaction and loyalty have remained high.

Six key findings from the materiality assessment and tenant survey – two key tools used by Swiss Prime Site in its ongoing stakeholder engagement – were discussed and elaborated on with the participants in World Café workshops.

Findings from the World Cafés

The goal: «net zero»

In this workshop, the participants tackled the question of how to meet the net zero target and implement related measures to reduce the carbon footprint and other negative environmental effects for both tenants and landlords in a viable and effective way. The discussions showed that this is not seen as a dilemma but more as a win-win situation for all parties. The measures help to protect the reputation of landlords and align their corporate objectives with sustainability goals. They also make properties more attractive and more enjoyable for tenants to live in. The corresponding costs should therefore be considered in terms of the potential benefits. At the same time, the opportunities presented by new business models and freedom of contract should be exploited (e.g. for green leases).

Corporate responsibility

The aim of the second World Café workshop was to come up with a common definition of «corporate responsibility» and what this means to tenants. Key elements mentioned were cost transparency and regular, forward-looking communication between tenants and landlords, openness to innovative rental and utilisation solutions, and consideration of tenants' economic and social circumstances by landlords. The long-term financial stability of landlords was also seen as important. Various stakeholders would benefit: tenants enjoy contractual certainty, protect their reputation and reduce costs; employees have more confidence and share the corporate responsibility through their own behaviour; investors can reduce risks thanks to better predictability; authorities profit in terms of local economic development.



The exchange with stakeholders is at the core of the event.

Sustainability information, standards and labels

The participants of this workshop discussed the need for sustainability labels and what information might be of interest to tenants and should therefore be compiled and communicated. They concluded that standardised, real-time data about consumption (e.g. energy, water, waste) and factors affecting human well-being (e.g. room temperature, CO₂ concentration) are of central importance. Tenants' communications with their own customers or employees could be enhanced considerably through property-specific metering infrastructures and by pooling owner and tenant data in a data-protection-compliant way. Customers and employees could thereby be encouraged to act more responsibly and make positive behavioural changes. In addition, it was suggested that standardised data transmission might also be useful for external communications. Sustainability labels were not seen as essential by most participants. They would make sense if they made internal and external sustainability communications significantly easier and if the effort required to introduce and maintain them (recertification) was justified.

Circular economy

The fourth workshop was dedicated to the topic of the circular economy and feasible business concepts based on it that reduce resource consumption. With regard to essential sustainability aspects, the participants emphasised the importance of seeing and developing properties or sites in a more holistic way. This would require better coordination of all stakeholders across all interfaces – from planning to construction and through to operation. In addition, tenants could be encouraged to use resources more sparingly with the help of technical solutions (e.g. timers), switching cost approaches or an incentive system (e.g. a «Swiss Prime Site Energy Award»). Transparent communication of consumption data was thought to be essential for this. At the same time, flexible utilisation models based on the sharing economy concept could help to leverage synergies between tenants and thereby support more efficient use of resources and existing spaces.

Resilient real estate concepts after the pandemic

The COVID-19 pandemic has had a far-reaching impact on the business environment of tenants and has reinforced existing trends such as the multichannel approach to retail. With this in mind, the participants of the fifth World Café workshop identified the most pressing needs, along with ideas for developing a utilisation concept that is as resilient as possible. The participants again emphasised the need for flexible and modular utilisation and service models, as well as individually negotiated tenancy options that take into account the type of tenant, the location of the property and the duration of the tenancy. Relevant KPIs for determining suitable tenancy models could be based on aspects such as the existing tenant mix, frequency or the specific business value of a tenant.

Community engagement

The sixth workshop focused on the common understanding, the purpose and the desired intensity of community engagement measures between Swiss Prime Site and its stakeholders. The participants concluded that the definition of effective community engagement would depend on the specific target group and the context of the interaction in each case. They suggested that community engagement is a necessary and valued way of nurturing relationships that builds trust and understanding of the situation and the decision-making scope of other stakeholders. Regular, extensive dialogue that involves relevant stakeholders at an early stage would make it possible to create a common language and help to identify common denominators. The participants also expressed a desire for solutions to increase interaction between tenants and create a shared understanding of «responsible community engagement» at group level.

Closing speech

At the end of the Stakeholder Panel 2021, Balthasar Glättli said that global society has reached a crossroad. All stakeholders need to take decisive action and contribute towards creating an economic and social system that enables us to keep making progress but in a more sustainable way. He believes that the real estate sector is at the «epicentre of the transformation»: its potential to have a positive impact on the environment – through innovations in the energy sector and a fundamental shift in mindset towards a circular economy – is enormous. Switzerland has set itself a clear mission: to become climate neutral by 2050. Every step along the way counts – whether big or small, easy or hard fought. It is obvious, however, that small steps will not be enough. Furthermore, it will not be possible to become climate neutral with efficiency-enhancing measures alone. Glättli went on to praise Swiss Prime Site's continuous efforts and broad stakeholder approach.

Praise for the management

René Zahnd, CEO of Swiss Prime Site, praised the discussions and the many inspiring suggestions and innovative ideas put forward by the participants. The need for regular and forward-looking communication as well as the early and strategic involvement of relevant stakeholders are common themes running through all efforts being made towards greater sustainability. Only by taking a holistic view that considers sustainability at all stages – from planning through to the operation of a property or site – is it possible to create living spaces that offer ecological, social and economic added value.



CEO of Swiss Prime Site, René Zahnd, summarises key takeaways.

Speakers

Ton Büchner has served as Chairman of the Board of Directors of Swiss Prime Site since 2020. He is a member of the Board of Directors of Novartis AG, as well as Chairman of the Board of Directors of Burckhardt Compression AG. Between 2012 and 2017, he was CEO and Chairman of the Management Board at AkzoNobel NV, a Dutch company listed on the stock exchange. From 1994 to 2017, he worked for the listed company Sulzer AG and was its CEO from 2007 to 2011. Prior to this, he worked as an offshore construction project manager in Europe and Asia from 1989 to 1993.

David Bresch has a PhD in Physics and has held the title of Professor for Weather and Climate Risks at ETH Zurich since 2016. Between 2000 and 2016, he held various managerial roles at Swiss Re. Bresch has been part of the Swiss delegation at the UN climate negotiations on several occasions. He is a member of the Foundation Board of WWF Switzerland and also serves on the steering committee of the Swiss Confederation's Advisory Body on Climate Change (OcCC).

Balthasar Glättli has served as National Councillor for the canton of Zurich since 2011 and President of the Green Party of Switzerland since 2020. He has been the Chairman of MVD (tenants' association of German-speaking Switzerland) since 2014. He also served as Chairman of the non-profit organisation Swiss Music Export from 2014 to 2020 and CEO of Solidarité sans frontières from 2003 to 2010. Prior to this, he had his own internet consultancy for a few years.